



# City of Norfolk

Office of the City Manager

C: ACM Stein, Real Estate

July 18, 2006

To the Honorable Council  
City of Norfolk, Virginia

Re: Ordinance to Approve Lease Agreement –  
Property at 731 Monticello Avenue for  
Use by Pretrial Services Program

Ladies and Gentlemen:

I. **Recommended Action:** Adopt ordinance.

II. **Overview**

Presented is an ordinance to approve the Lease Agreement of property located at 731 Monticello Avenue for the use by the Pretrial Services Program. This new Lease Agreement is the exercise of an option renewing the 5-year lease and redefining the terms of the lease.

III. **Analysis**

A. **General**

The City is currently leasing space from 731 Monticello, LLC for use by the Pretrial Services Program. This ordinance will allow the City to exercise an option to renew the lease for another five-year term for the use of premises by the Pretrial Services Program.

B. **Fiscal**

The annual rental is \$26,878.08 in the first year of the term. In each following year of the lease term, the rent will increase 3 (%) percent per year. Each year is subject to annual appropriation of funds.

C. **Environmental**

There are no environmental issues related to these properties.

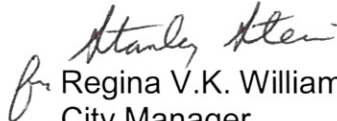
D. **Community Outreach/Notification**

N/A.

**IV. Conclusion**

It is recommended that the City Council adopt the attached ordinance, which authorizes the City Manager to execute the Lease Agreement and the appropriation of funds to cover the agreed annual rent.

Respectfully submitted,

  
for Regina V.K. Williams  
City Manager

**Coordination/Outreach**

This letter has been coordinated with Real Estate and the City Attorney's Office.

6/28/06 pfm

Form CCO-002

Form and Correctness Approved:

By [Signature]  
Office of the City Attorney

NORFOLK, VIRGINIA

Pursuant to Section 72 of the City Charter, I hereby certify that the money required for this item is in the city treasury to the credit of the fund from which it is drawn and not appropriated for any other purpose.

\$ 26,878.08

SR30A62 (9,096)

SR30A63 (17,820.08)

Account

Contents Approved:

By [Signature]  
DEPT.

[Signature]  
Director of Finance

7/11/2006  
Date

## ORDINANCE No.

AN ORDINANCE APPROVING THE LEASE OF CERTAIN PROPERTY LOCATED AT 731 MONTICELLO AVENUE, BY THE CITY OF NORFOLK, FOR A FIVE-YEAR TERM, WITH AN OPTION TO RENEW FOR ANOTHER FIVE-YEAR TERM, AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT ON BEHALF OF THE CITY.

- - -

BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That the lease, by the City, of the property known as 731 Monticello Avenue, is hereby approved.

Section 2:- That the term of the lease shall be for a period five years, with an option to renew for an additional five years.

Section 3:- That the City Manager is authorized to negotiate and execute a Lease Agreement with 731 Monticello, LLC, substantially in the same form and terms as shown in Exhibit A, satisfactory to the City Attorney, and consistent with this ordinance.

Section 4:- That this ordinance shall be in effect from and after its adoption.

**LEASE AGREEMENT**

**THIS LEASE AGREEMENT** made this \_\_\_\_ day of \_\_\_\_\_, 2006, by and between **731 MONTICELLO AVENUE, L.L.C.**, hereinafter referred to as "Lessor" and the **CITY OF NORFOLK**, a municipal corporation of the Commonwealth of Virginia, hereinafter referred to as "Lessee".

**WITNESSETH:**

Lessor, for and in consideration of the rents, covenants and agreements hereinafter mentioned, reserved and contained, to be paid, kept and performed by Lessee, does hereby demise and lease unto Lessee, and Lessee does hereby lease from Lessor, the property known as 731 Monticello Avenue, in Norfolk, Virginia, hereinafter referred to as "Premises".

1. **TERM OF LEASE.** This lease agreement is for a term of five (5) years, beginning July 1, 2006, (commencement date) and ending June 30, 2011 (termination date). Lessee shall have the option to renew the lease agreement for another five (5) years. Lessee shall notify Lessor of its intention to renew the lease agreement, in writing, at least ninety (90) days prior to its expiration.

In the event that funding for the Pretrial Services Program is ended by the State of Virginia, this lease agreement may be terminated upon thirty days written notice by Lessee.

2. **RENT.** Lessee agrees to pay Lessor, at 109 East Main Street, Suite 200, Norfolk, Virginia 23510, in monthly installments of Two Thousand Two Hundred Thirty-Nine and 84/100 Dollars (\$2,239.84) for the lease of the Premises, subject to the annual appropriation of funds by the Commonwealth of Virginia or by the Norfolk City Council, said sum to be due and payable on the first day of each month, beginning on the date of occupancy. If occupancy is not on the first day of the month, the rent for that month will be prorated.

Beginning July 1, 2007, the rent shall be increased by three percent (3%), and on July 1 of each succeeding year by three percent (3%) of the prior year's rent for the duration of this lease agreement and any extension thereof.

3.     **DEFAULT ON PAYMENT OF RENT.**     If any monthly installment of rent herein called for remains overdue and unpaid for ten (10) days, Lessee shall pay a late charge of five percent (5%) of the monthly installment for each month overdue. If any monthly installment of rent remains overdue and unpaid for thirty (30) days, Lessor may, at its option, at any time during such default, declare this lease agreement terminated and take possession of the Premises.

4.     **TAXES.**     Lessor shall pay all taxes and assessments imposed on the Premises by the State, City or other lawful governmental authority.

5.     **SERVICES.**     Lessor agrees to supply electricity, heating, water and sewage service to the Premises. Lessor also agrees to provide Lessee with ten (10) parking spaces. Lessee shall be responsible for all other services and amenities.

6.     **REPAIRS.**     The parties agree that during the term of this lease, Lessor shall be required to do only the following, in the matter of keeping the building and the premises in good repair: keep the exterior walls and the roof of the building in proper and substantial repair and maintain the HVAC and electrical systems.

7.     **RIGHT OF ENTRY TO REPAIR.**     Lessor reserves the right for its agents and employees to enter upon the Premises at any reasonable time to make repairs, alterations or improvements, provided however, that such repairs, alterations or improvements shall not unreasonably interfere with Lessee's business operations. Such right to enter shall also include the right to enter upon the Premises for the purpose of inspection.

8.     **INSURANCE.** Lessor shall adequately insure the building and all public or common areas for fire, casualty, hazard and liability. Lessee shall maintain the Premises in a hazard free condition. Lessee shall be responsible for liability within the Premises and insuring its personal property.

9.     **DAMAGE OR DESTRUCTION BY FIRE OR NATURAL CAUSES.** If, during the term of this Lease, Premises, or any part thereof, including portions of the building not occupied by the Lessee, shall be destroyed by fire, storm, or other casualty, or so damaged thereby that they cannot be repaired with reasonable diligence within one hundred eighty (180) days, this lease agreement shall terminate as of the date of such destruction or damage. However, if the building can be repaired within one hundred and eighty (180) days, with reasonable diligence, it shall be repaired by Lessor, as quickly as is reasonably possible, and this lease shall remain in full force and effect, provided however, that rent shall be abated for any part of said building which is rendered unfit for occupancy for the period that such unfitness continues.

10.    **NOTICES.** Whenever it is provided herein that notice, demand, request or other communication shall or may be given to or served upon either of the parties, or if either of the parties shall desire to give or serve upon the other any notice, demand, request or other communication with respect hereto or Premises, each such notice, demand, request or other communication shall be in writing, and, any law or statute to the contrary notwithstanding, shall be given or served as follows:

- (a)    to **Lessee**, by hand delivery, overnight courier or by mailing by registered or certified mail, postage prepaid, return receipt requested, addressed to:

City of Norfolk  
Manager for Real Estate  
810 Union Street  
City Hall Building  
Norfolk, Virginia 23510



- (b) to **Lessor**, by hand delivery, overnight courier or by mailing by registered or certified mail, postage prepaid, return receipt requested, addressed to:

731 Monticello Avenue, L.L.C.  
109 E. Main Street, Suite 200  
Norfolk, Virginia 23510

or at such other address as Lessor may from time to time designate by notice given to Lessee in the manner herein provided.

Every notice, demand, request or other communication hereunder shall be deemed to have been given or served at the time that the same shall be hand delivered or deposited in the United States mail, postage prepaid, in the manner aforesaid.

11. **SIGNS**. Lessee may display signs and shingles to notify the public of its location with the prior written consent of Lessor, which consent shall not be unreasonably withheld.

12. **CAPTIONS**. The captions to the sections of this lease are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this lease or any part thereof nor in any way affect this lease or any part thereof.

13. **ENTIRE AGREEMENT**. This lease contains the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing executed by the parties.

**IN WITNESS WHEREOF**, the parties have caused this lease to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

**THE CITY OF NORFOLK**

By: \_\_\_\_\_  
City Manager

**ATTEST:**

\_\_\_\_\_  
City Clerk

**731 MONTICELLO, L.L.C.**

By: \_\_\_\_\_  
Peter G. Decker, Jr. Manager

**APPROVED AS TO CONTENTS:**

\_\_\_\_\_  
Assistant City Manager

**APPROVED AS TO FORM  
AND CORRECTNESS:**

\_\_\_\_\_  
Assistant City Attorney

**CERTIFICATION**

I hereby certify that the money for this Agreement is in the City Treasury to the credit of the fund from which it is to be drawn and not appropriated for any other purpose.

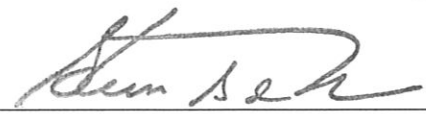
ACCOUNT: SR30A62 5680 \$9,096.00

AMOUNT: SR30A63 5680 \$17,782.08

CONTRACT NO.: 8700E

VENDOR NO.: 731MNO100

BUSINESS LICENSE NO.: \_\_\_\_\_

  
\_\_\_\_\_  
Director of Finance

7/11/2006  
Date

